



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

December 7, 2000

CERTIFIED RETURN RECEIPT

Z 228 355 101

Terry R. Cook
Delta Minerals
3585 North University Avenue, Suite 100
Provo, Utah 84604

Re: Small Mine Operation Exceeding Five Acres of Disturbance, Delta Minerals, Inc., TD Mining, S/027/080, Millard County, Utah

Dear Mr. Cook:

The Division carried out a site inspection of the TD Mining project area with the BLM on November 8, 2000. At that time, a GPS survey of the two disturbed areas was conducted which yielded a total acreage of 6.315 acres. Our Mineral Reclamation Program Rules for a Small Mine, R647-3-113, require an operator to file a Notice of Intention to Commence Large Mining Operations (FORM MR-LMO) and receive Division approval *before* enlarging an operation beyond five acres. The following acreages were found for each area (see enclosed map).

- Main Processing Area and Mine Site - 5.685 acres
- Initial Disturbance currently not used - .63 acres

The total disturbance of the two areas is 6.315 acres. If you believe this acreage is incorrect, please provide a registered survey and/or other appropriate justification to this office by December 22, 2000. The 6.315 acre disturbance exceeds the five acre limitation of your small mining notice. This project now meets the disturbed area requirements to be categorized as a large mining operation. We have not received a Notice of Intention to Commerce Large Mining Operations (LMO) from you for this project.

In order to remedy this situation, we have outlined some possible options which are described below. **We will require a written response from Delta Minerals within five days of your receipt of this letter identifying which option has been selected.**

1. Commence immediate reclamation of the mine site to reduce your surface disturbance to five (5) acres or less, by backfilling/regrading/recontouring and reseeding. This work must be completed no later than January 10, 2001. As part of this option, you will need to delineate in the field with

clear markers, all portions of the five acre mine site area within which Delta Minerals will confine its mining and reclamation activities; or

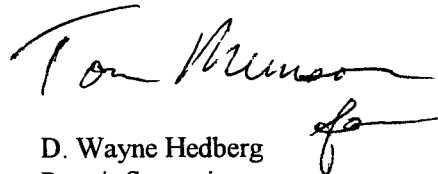
2. Post a *transition reclamation surety*, appropriate surety form and reclamation contract in the amount of \$24,000 within 30 days of your receipt of this letter. This amount is a conservative estimate of the projected costs for the Division to reclaim the site in its present condition (@ 6.315 acres x \$ 3,800 /acre). This reclamation surety amount will be adjusted accordingly upon final approval of your large mining operation permit application; and
3. File a complete and technically adequate Notice of Intention to Commence Large Mining Operations (FORM MR-LMO) with this office within 60 days of your receipt of this letter. A requisite \$350 permit application fee is required to accompany a new LMO with less than 50 acres of disturbance.

Large Mining Notices generally require at least nine to twelve months for processing and final Division approval. A copy of the LMO application form and the mineral rules are enclosed for your use. Posting of a transition reclamation surety will allow you to continue your operations within the existing disturbed area until the LMO is approved.

If you fail to post a *transition* reclamation surety and LMO application form, or conduct timely reclamation of the excess disturbance, we will be forced to initiate formal enforcement actions. Those actions could include, but not be limited to any or all of the following: a Notice of Noncompliance, a Notice of Agency Action (requiring a formal public hearing), cessation of operations, permit revocation, immediate reclamation, fines and/or other appropriate penalties as authorized by state mining laws.

If you have any questions regarding the requirements in this letter, please contact me at (801) 538-5286. If I am unavailable, please contact Tom Munson (538-5321) of the Minerals Reclamation Program at your earliest convenience. Thank you for your cooperation in resolving this situation.

Sincerely,

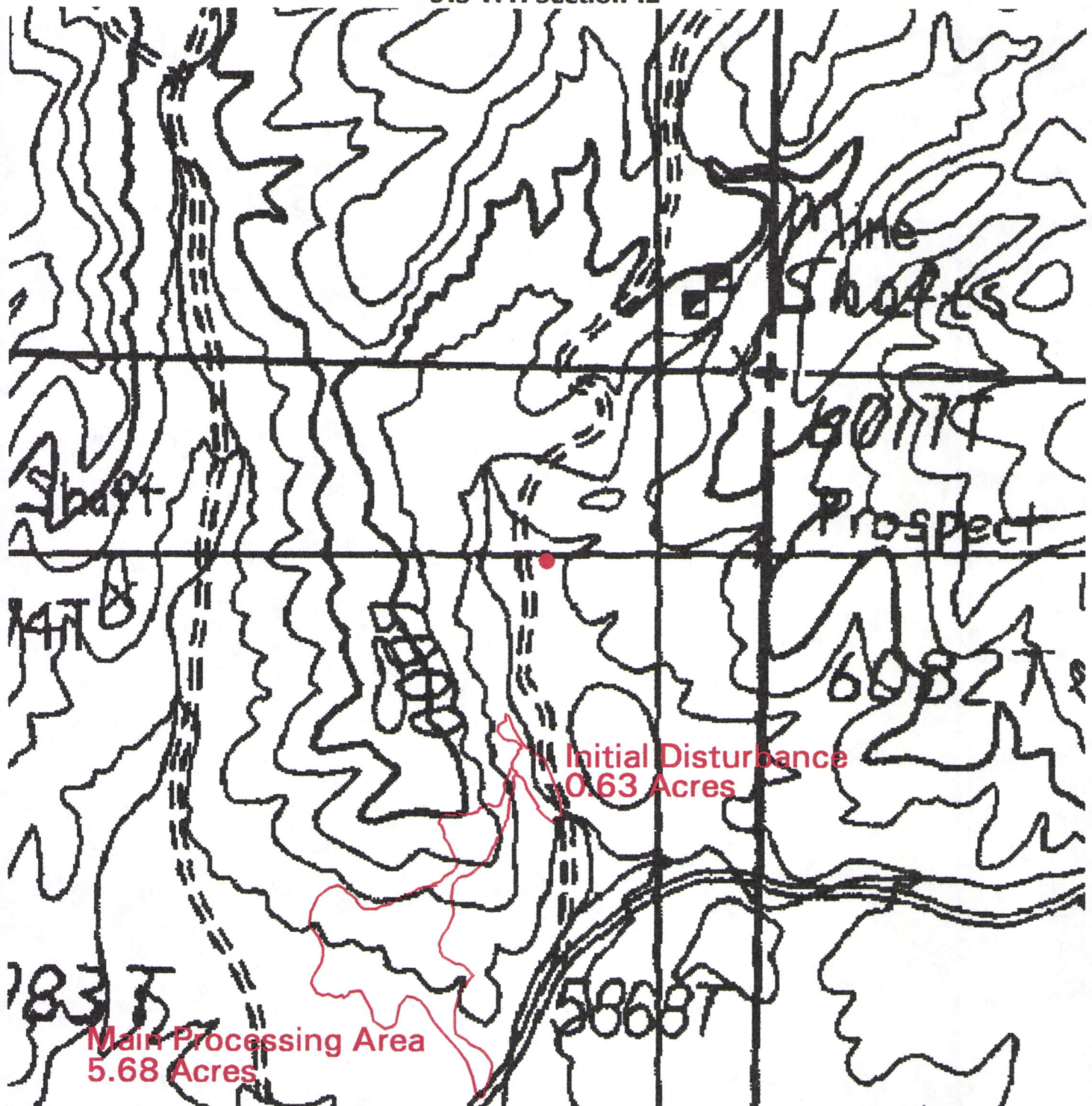


D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

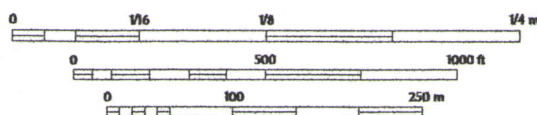
jb
Enclosures: GPS map, Rules, MR-LMO form
cc: Rex Rowley, BLM, Fillmore FO (UTU-078278)
Mary Ann Wright, DOGM
Tom Munson, DOGM
S27-80-ltr

TD MINING - S270080

Quad: Lady Laird Peak - UTM: 3258854377998
S15 W11 Section 12



State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining



Scale 1:6000 (verify scale)
Plotted December 08, 2000

